

Scenario 2: Scaplen's Court Development only

Core assumptions

- 1) **Capital outlay of £956k** - including professional and design fees, surveys and investigations and 10% contingency. This allows for relocation of café to Scaplen's Court, additional wedding and room hire potential. **Works estimated to be completed December 22 to December 23, with the majority of capital outlay incurred 2023/24**
- 2) funding includes **£478k Heritage England** funding - confirmed. Requires 50% match funding, including **£200k CIL approved for Poole Museum, but repurposed to Scaplen's Court**. Remainder to be funded from **£278k Prudential borrowing**
- 3) PRU borrowing to be repaid from net additional income from customers / visitors / wedding receptions. Borrowing will be taken out in 2022/23 - repayable from 2023/24 onwards. This is **net additional income**, with 2% inflation per annum
- 4) PRU borrowing at **Invest to Save low risk rate of 3% over 25 years**. Assume borrowing will be undertaken for building related expenditure - with asset life of 40 years. Council has option to increase period of borrowing from 25 years to 40 years (life of asset). This would further improve net annual revenue position, but cost the Council more in interest repayment. This project is a regeneration scheme, a by-product of which is income generation. PWLB borrowing is therefore permissible under HM Treasury guidance
- 5) major repairs allowance included from year 10 onwards to maintain asset in good condition, based on 0.8% of current asset value (excluding land) + capital investment is proposed. **This is an indicative allowance only, that will ultimately be informed by (and make financial provision for capital costs arising from the service's 25 year building maintenance plan currently under development) to be funded.** There is as yet no other specific budget provision for capital costs anticipated within the 25 building maintenance plan. There is the potential for some of this cost to be met from revenue budgets for Estate maintenance
- 6) Assume additional revenue operating expenditure and investment / asset value increases by 2% each year
- 7) **Net revenue pressure over MTFP of £26k** - reflecting lost income during construction phase. Project produces net annual surplus from first full year of new operation

Key Financials - over 25 years	Inc Major Repairs £k	Exc Major Repairs £k
Project outlay	956	956
Financial viability	£k	£k
Net additional income over 25 years	(2,882)	(2,882)
Major Repairs Allowance	442	0
Borrowing Requirement (repaid over asset useful life)	278	278
Interest cost of borrowing (@ 3% over 25 years)	121	121
Net 25 year surplus (including Risk Premium)	(2,041)	(2,483)

Project outlay	Assumptions	£
Capital building improvements - Poole Museum		0
Capital building improvements - Scaplen's Court		822,880
Capital professional fees - Poole Museum		0
Capital professional fees - Scaplen's Court		37,711
		860,591
Contingency and inflation	11%	95,409
Capital outlay		956,000
Project Outlay		956,000

Project funding	Assumptions	£
Capital		
Heritage Lottery Funding		0
Historic England		478,174
Community Infrastructure Levy (repurposed from Poole Museum)		200,000
Third Party / Fundraising		0
Prudential Borrowing (for building improvements year 0)		277,826
Revenue		
Heritage Lottery Funding		0
Project funding		956,000

Projected Cashflow Summary	Inc Major Repairs £k	Exc Major Repairs £k
Net cost to BCP over MTFP (2021/22 to 2023/24)	26	26
Net saving to BCP for next 10 years (2024/25 to 2033/34)	(839)	(887)
Net saving to BCP for next 10 years (2034/35 to 2043/44)	(846)	(1,116)
Net saving to BCP for next 5 years (2043/44 to 2047/48)	(382)	(506)
Net 25 year surplus (including Risk Premium)	(2,041)	(2,483)
Risk Premium (difference between Invest to Save rate 3% and P	36	36
Net 25 year surplus - without additional Invest to Save risk	(2,077)	(2,519)